

MEMO

DATE: June 7, 2007

TO: Administration Committee and Regional Council

FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

SUBJECT: CFO Monthly Report for April 2007

BACKGROUND:

Accounting:

Vasquez and Co, LLP, began their interim audit work which is expected to take 2 weeks. To date, no findings have been reported.

The Accounting department developed a new travel expense reimbursement form for elected officials. It will become operational in May. An Accounts Payable aging report was also developed to be used in resolving outstanding vendor invoice issues.

The Finance department developed a performance metric system as a prototype for the entire agency. The final product will become operational next fiscal year.

The recruitment process for 3 vacant positions continues with staff assuming additional duties to cover the workload.

The recommendations of the GASB 45 Working Group re: Other Postemployment Benefits and the Defined Benefit Supplementary Retirement System was presented to the Audit and Personnel Committees in a joint meeting. They accepted the recommendations and recommended adoption by the Regional Council.

The Personal Floating Holiday accrual computation in SAP was activated. SAP records of leave liability were updated so that an interface to our payroll service provider, ADP can be built for paycheck leave activity reporting.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SCAG for its Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2006. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. It is awarded only to those CAFRs that achieve the highest standards in government accounting and financial reporting. The Certificate Program, which was established in 1945, is designed to recognize and encourage excellence in financial reporting by state and local governments

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Budget and Grants (B & G) prepared for and attended the Annual MPO Meeting (formerly the Intermodal Planning Group – IPG). This meeting is required annually to provide for review of SCAG's OWP and activities prior to approval of each new fiscal year OWP. B & G staff coordinated the response to comments on the Draft 07-08 OWP that were presented at the Annual MPO meeting. A follow-up meeting was held with FHWA/FTA and Caltrans in Sacramento to review the SCAG work program. In addition, the Final 07-08 OWP was completed for the May RC meeting.

The FY 06-07 3rd Quarter progress report was finalized and submitted to Caltrans at the end of April. In addition, B & G staff coordinated the preparation of separate reports required by Caltrans for SCAG's 13 discretionary planning grant projects. Discussions were also conducted with Information Services Department staff relative to development of improvements and enhancements to the budget system. The B & G staff also coordinated and assisted the subregions with submittal of their in-kind services workscopes to complete their Cooperative Agreement package.

Grant development work continued in collaboration with program staff and other local agencies for USDOT Urban Partnership Designation and an application was submitted. In addition, SCAG submitted a grant application for the Value Pricing grant funding. Work also began on obtaining a State Office of Emergency Services (OES) grant in partnership with USC, City of LA and the State, for earthquake preparedness.

During April, discretionary grant work included an FHWA audit of the Intelligent Transportation System project at Riverside Transit and providing technical assistance for the Blueprint grant.

Contracts:

The contracts department awarded six contracts, issued four contract amendments, as well as four Requests for Proposals (RFPs). Moreover, contracts staff, Lori Grebbien, saved the agency approximately \$56,655 by negotiating better pricing on three IT related contracts and one office supply contract; Leyton Morgan, Contracts Manager, was able to save the agency an additional \$6,975 by assisting with a Human Resources related contract negotiation. Additionally, contract staff, Sandee Scott and Laura Aguilar in conjunction with audit staff, Richard Howard, saved the agency and additional \$39,621, by reducing the contractor's proposed price on two transportation planning contracts. It is worth noting that since February 2007, contract staff has saved the agency approximately \$138,541.

Further, as part of our on-going strategy to increase competition, contracts staff, Leyton Morgan and Lori Grebbien, attended the Greater LA Vendor Fair and Sandee Scott attended the American Planning Association Conference. Staff marketed SCAG's contracting opportunities at these events, and as a result of staff's participation in these events, staff registered dozens of new vendors into SCAG's bid notification database (the more bidders in the database the greater the likelihood of increased competition).

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Contracts Cont'd:

Lastly, contract staff, Sandee Scott, submitted the DBE (Disadvantaged Business Enterprise) Utilization Report for the period 10/1/06 – 3/31/07, as required by Caltrans. This report reflects commitments and payments actually made to DBEs on Department of Transportation assisted contracts.

FISCAL IMPACT:

There is no fiscal impact.

Reviewed by:



Chief Financial Officer

**Southern California Association of Governments
Total Budget vs. Actual Expenditures and Encumbrances
For the Ten Months Ending April 30, 2007**

Line Item Description	a Original Budget	b Approved Changes	c Pending Changes	(a+b+c) d Forecasted Budget	e Expenditures	f Encumbrances	(d-e-f) g Budget Balance	h % Budget Remaining
Salaries and Fringe Benefits	\$15,293,452	\$356,815	\$ 35,000	\$15,685,267	\$11,285,564	\$ 254,702	\$4,145,001	26%
Consultants & Professional Services	17,799,082	1,039,755	\$ (25,000)	18,813,837	4,437,251	12,112,118	\$2,264,468	12%
Sub Region Consultants & Staff Projects	4,268,112	(180,000)	\$ (10,000)	4,078,112	221,167	3,350,542	\$506,403	12%
Direct & Indirect Costs	5,379,519	(345,259)	\$ -	5,034,260	3,113,455	820,751	\$1,100,054	22%
All Other	3,875,094	1,104,580	\$ -	4,979,674	1,109,439	-	\$3,870,235	78%
Total	\$ 46,615,259	\$ 1,975,891	\$ -	\$ 48,591,150	\$ 20,166,876	\$ 16,538,113	\$ 11,886,161	24%

- 1) Encumbrances are the remaining balances of contracts or purchase orders and are used for project budgeting purposes only.
- 2) OWP Admin Amend 1 approved by Caltrans on August 15, 2006.
- 3) OWP Admin Amend 2 approved by Caltrans on December 7, 2006.
- 4) OWP Admin Amend 3 approved by Caltrans on March 15, 2007.
- 5) OWP Admin Amend 4 approved by Caltrans on March 27, 2007.
- 6) General Fund budget changes due to RHNA staff and travel.

**Southern California Association of Governments
General Fund Budget vs. Actual Expenditures and Encumbrances
For the Ten Months Ending April 30, 2007**

Line Item Description	a Original Budget	b Approved Changes	c Pending Changes	(a+b+c) d Forecasted Budget	e Expenditures	f Encumbrances	(d-e-f) g Budget Balance	h % Budget Remaining
Salaries and Fringe Benefits	\$100,000	\$ 365,001	\$ 35,000	\$ 500,001	\$562,652	\$ -	(\$62,651)	-13%
Consultant and Professional Services	513,050	25,000	(25,000)	513,050	246,743	190,555	\$75,752	15%
Regional Council (RC) Support	304,800	45,000	(10,000)	339,800	149,674	30,947	\$159,179	47%
RC Special Projects and Sponsorships	109,800	(10,000)	-	99,800	34,961	55,000	\$9,839	10%
All other Budget Categories	493,953	(425,000)	-	68,953	31,776	-	\$37,177	54%
Total	\$ 1,521,603	\$ 1	\$ -	\$ 1,521,604	\$ 1,025,806	\$ 276,502	\$ 219,296	14%

1) Encumbrances are the remaining balances of contracts or purchase orders and are used for project budgeting purposes only.

2) General Fund budget changes due to RHNA staff and travel.

**Budget v. Actual and Encumbrances
Through April 2007**

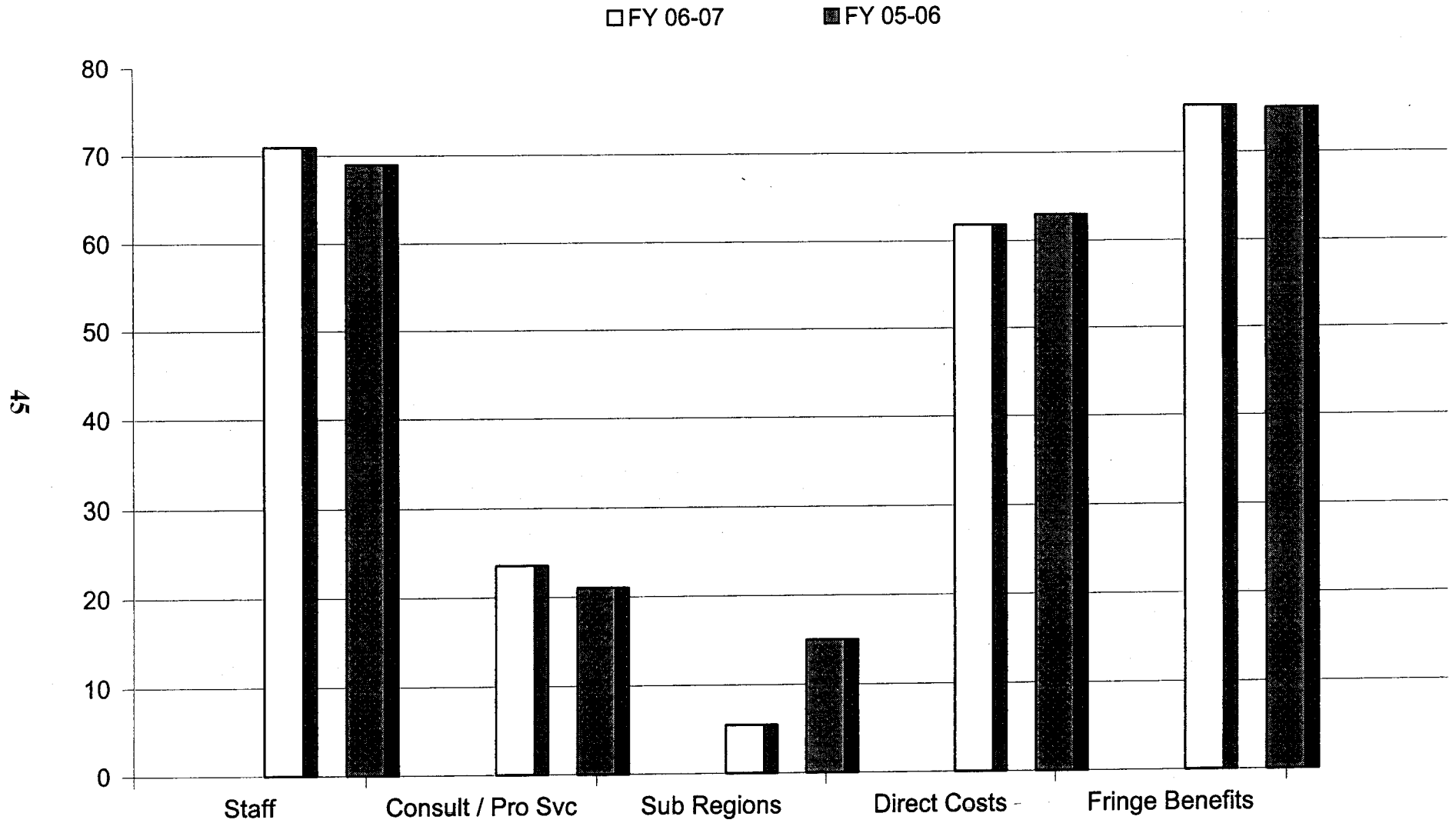
	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Apr	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff										
Salaries	10,605,287	276,815	10,882,102	7,682,266	3,199,836	71%	-	7,682,266	3,199,836	71%
Temporary Help	395,920	80,000	475,920	373,746	102,174	79%	254,702	628,448	(152,528)	132%
	11,001,207	356,815	11,358,022	8,056,012	3,302,010	71%	254,702	8,310,714	3,047,308	73%
Consultant / Professional Services										
SCAG Consultant	17,254,082	1,009,255	18,263,337	4,288,204	13,975,133	23%	11,923,638	16,211,842	2,051,495	89%
Legal Services	535,000	35,000	570,000	146,047	423,953	26%	169,237	315,284	254,716	55%
Professional Services	10,000	(4,500)	5,500	3,000	2,500	55%	19,243	22,243	(16,743)	404%
	17,799,082	1,039,755	18,838,837	4,437,251	14,401,586	24%	12,112,118	16,549,369	2,289,468	88%
Sub Regions										
Subregional Consultant	3,021,696	(75,058)	2,946,638	147,000	2,799,638	5%	2,290,327	2,437,327	509,311	83%
Subregional Staff Projects	1,246,416	(104,942)	1,141,474	74,167	1,067,307	6%	1,060,215	1,134,382	7,092	99%
	4,268,112	(180,000)	4,088,112	221,167	3,866,945	5%	3,350,542	3,571,709	516,403	87%
Direct Costs										
Internet Access Fees	3,000	-	3,000	2,011	989	67%	917	2,928	72	98%
Software Support	506,363	(80,000)	426,363	107,653	318,710	25%	2,495	110,148	316,215	26%
Hardware Support	57,000	-	57,000	47,554	9,446	83%	13,431	60,985	(3,985)	107%
Repair - Maintenance	0	-	0	0	0	0%	-	0	0	0%
Software Purchases	30,000	-	30,000	31,350	(1,350)	105%	9,545	40,895	(10,895)	136%
Office Rent - Main Office	1,200,807	-	1,200,807	1,055,106	145,701	88%	6,550	1,061,656	139,151	88%
Office Rent - Satellite Office	56,000	-	56,000	48,863	7,137	87%	1,305	50,168	5,832	90%
Equipment Leases	511,247	-	511,247	386,436	124,811	76%	69,110	455,546	55,701	89%
Equipment Repairs	34,730	-	34,730	11,655	23,075	34%	5,667	17,322	17,408	50%
Insurance	183,985	-	183,985	181,775	2,210	99%	-	181,775	2,210	99%
Payroll and Bank Process Fee	34,500	-	34,500	21,515	12,985	62%	-	21,515	12,985	62%
Office Supplies	115,500	-	115,500	92,849	22,651	80%	79,028	171,877	(56,377)	149%
Office Maintenance	-	-	-	-	-	0%	-	-	0	0%
Small Office Purchase	496,095	-	496,095	153,818	342,277	31%	291,167	444,985	51,110	90%
Telephone Charges	90,526	-	90,526	64,614	25,912	71%	1,730	66,344	24,182	73%
Postage and Delivery	82,000	-	82,000	49,359	32,641	60%	28,568	77,927	4,073	95%
SCAG Memberships	97,814	-	97,814	80,104	17,710	82%	-	80,104	17,710	82%
Professional Memberships	10,980	-	10,980	4,964	6,016	45%	3,084	8,048	2,932	73%
Resource Materials and Subs	43,550	-	43,550	78,927	(35,377)	181%	138,251	217,178	(173,628)	499%
Depreciation - Furniture	5,000	-	5,000	8,695	(3,695)	174%	-	8,695	(3,695)	174%
Depreciation - Computer	40,000	-	40,000	33,990	6,010	85%	-	33,990	6,010	85%
Amortization Lease	0	-	0	1,722	(1,722)	0%	-	1,722	(1,722)	0%
Capital Outlay	44,000	(44,000)	0	-	0	0%	-	0	0	0%
Recruitment Notices	25,000	-	25,000	10,621	14,379	42%	12,323	22,944	2,056	92%
Public Notices	65,000	(8,000)	57,000	1,022	55,978	2%	6,100	7,122	49,878	12%
Staff Training	181,000	107,500	288,500	139,646	148,854	48%	32,154	171,800	116,700	60%
RC & Committee Meetings	22,000	-	22,000	12,876	9,124	59%	11,254	24,130	(2,130)	110%
RC Retreat	17,500	-	17,500	1,000	16,500	6%	14,000	15,000	2,500	86%
RC General Assembly	17,500	-	17,500	1,050	16,450	6%	3,655	4,705	12,795	27%

**Budget v. Actual and Encumbrances
Through April 2007**

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Apr	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Other Meeting Expense	46,500	42,400	88,900	28,822	60,078	32%	21,684	50,506	38,394	57%
Miscellaneous	168,583	6,141	174,724	17,708	157,016	10%	6,430	24,138	150,586	14%
RC Meeting Stipends	130,000	-	130,000	87,195	42,805	67%	-	87,195	42,805	67%
Letter of Credit Interest	75,000	(34,161)	40,839	5,000	35,839	12%	-	5,000	35,839	12%
Caltrans Rapid Pay Fees	1,000	-	1,000	825	175	83%	-	825	175	83%
Cash Contributions to Projects	346,839	(346,839)	0	(1,574)	1,574	0%	-	(1,574)	1,574	0%
Printing	190,000	1,500	191,500	66,210	125,290	35%	6,163	72,373	119,127	38%
Travel	305,400	20,200	325,600	192,974	132,626	59%	790	193,764	131,836	60%
Travel - Lod > Per Diem	3,000	-	3,000	4,971	(1,971)	166%	-	4,971	(1,971)	166%
Travel - Event Registration	28,800	-	28,800	47,188	(18,388)	164%	350	47,538	(18,738)	165%
NARC BOARD EXPENSE	3,500	-	3,500	-	3,500	0%	-	-	3,500	0%
RC Special Projects	18,000	-	18,000	10,662	7,338	59%	50,000	60,662	(42,662)	337%
RC Sponsorships	91,800	(10,000)	81,800	24,299	57,501	30%	5,000	29,299	52,501	36%
	5,379,519	(345,259)	5,034,260	3,113,455	1,920,805	62%	820,751	3,934,206	1,100,054	78%
Fringe Benefits										
Vacation Accrual Reconciliatio	-	-	-	0	0	0%	-	0	0	0%
Severance Pay	-	-	-	0	0	0%	-	0	0	0%
Sick Leave Payback	-	-	-	0	0	0%	-	0	0	0%
Compensation Awards	-	-	-	7,539	(7,539)	0%	-	7,539	(7,539)	0%
Retirement - PERS	1,958,949	-	1,958,949	1,438,545	520,404	73%	-	1,438,545	520,404	73%
Retirement - PARS	58,045	-	58,045	59,408	(1,363)	102%	-	59,408	(1,363)	102%
Health Insurance	1,185,855	(260,000)	925,855	634,761	291,094	69%	-	634,761	291,094	69%
Dental Insurance	117,067	-	117,067	73,637	43,430	63%	-	73,637	43,430	63%
Vision Insurance	39,159	-	39,159	22,235	16,924	57%	-	22,235	16,924	57%
Life Insurance	95,000	-	95,000	65,157	29,843	69%	-	65,157	29,843	69%
Medical & Dental Cash Rebate	240,000	260,000	500,000	467,317	32,683	93%	-	467,317	32,683	93%
Medicare Tax	157,977	-	157,977	106,903	51,074	68%	-	106,903	51,074	68%
Tuition Reimbursements	5,000	-	5,000	3,000	2,000	60%	-	3,000	2,000	60%
Bus Passes	23,250	(12,500)	10,750	10,729	21	100%	-	10,729	21	100%
Carpool Reimbursements	4,120	-	4,120	2,240	1,880	54%	-	2,240	1,880	54%
Bus Passes - Taxable	54,000	12,500	66,500	54,835	11,665	82%	-	54,835	11,665	82%
Workers Comp Insurance	236,900	-	236,900	234,722	2,178	99%	-	234,722	2,178	99%
Misc. Employee Benefits	11,923	-	11,923	(7,401)	19,324	-62%	-	(7,401)	19,324	-62%
Unemployment Insurance	25,000	-	25,000	(1,409)	26,409	-6%	-	(1,409)	26,409	-6%
Deferred Comp Match	76,500	-	76,500	54,646	21,854	71%	-	54,646	21,854	71%
Benefit Administration Fees	3,500	-	3,500	2,688	812	77%	-	2,688	812	77%
	4,292,245	-	4,292,245	3,229,552	1,062,693	75%	-	3,229,552	1,062,693	75%
Other										
Soft Match Contributions	4,025,853	203,136	4,228,989	1,098,273	3,130,716	26%	-	1,098,273	3,130,716	26%
Exp - Local cash	165,625	148,212	313,837	11,166	302,671	4%	-	11,166	302,671	4%
Reconcile to Burden	(316,384)	753,232	436,848	0	436,848	0%	-	0	436,848	0%
	3,875,094	1,104,580	4,979,674	1,109,439	3,870,235	22%	0	1,109,439	3,870,235	22%
Grand totals:	46,615,259	1,975,891	48,591,150	20,166,876	28,424,274	42%	16,538,113	36,704,989	11,886,161	76%

**Southern California Association of Governments
Agency Wide Comparison**

% of Budget Spent @ 84% of year



**Budget v. Actual and Encumbrances
General Fund Only
Through April 2007**

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Apr	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff										
Salaries	31,264	113,156	144,420	173,245	(28,825)	120%	-	173,245	(28,825)	120%
Fringe Burden	17,239	62,394	79,633	97,861	(18,228)	123%	-	97,861	(18,228)	123%
Indirect Burden	51,497	189,451	240,948	291,546	(50,598)	121%	-	291,546	(50,598)	121%
	<u>100,000</u>	<u>365,001</u>	<u>465,001</u>	<u>562,652</u>	<u>(97,651)</u>	<u>121%</u>	<u>-</u>	<u>562,652</u>	<u>(97,651)</u>	<u>121%</u>
Consultant / Professional Services										
SCAG Consultant	313,050	25,000	338,050	225,345	112,705	67%	86,952	312,297	25,753	92%
Legal Services	200,000	-	200,000	21,398	178,602	11%	103,603	125,001	74,999	63%
Professional Services	-	-	-	-	-	0%	-	-	-	0%
	<u>513,050</u>	<u>25,000</u>	<u>538,050</u>	<u>246,743</u>	<u>291,307</u>	<u>46%</u>	<u>190,555</u>	<u>437,298</u>	<u>100,752</u>	<u>81%</u>
Regional Council Support										
TRAINING	25,000	25,000	50,000	-	50,000	0%	-	-	50,000	0%
RC & Committee Meetings	22,000	-	22,000	12,792	9,208	58%	11,254	24,046	(2,046)	109%
RC Retreat	17,500	-	17,500	1,000	16,500	6%	14,000	15,000	2,500	86%
RC General Assembly	17,500	-	17,500	1,050	16,450	6%	3,655	4,705	12,795	27%
Other Meeting Expense	20,000	10,000	30,000	3,118	26,882	10%	842	3,960	26,040	13%
Miscellaneous	21,500	-	21,500	5,736	15,764	27%	1,196	6,932	14,568	32%
RC Meeting Stipends	130,000	-	130,000	87,195	42,805	67%	-	87,195	42,805	67%
Travel	40,800	10,000	50,800	31,575	19,225	62%	-	31,575	19,225	62%
Travel - Lod. > Per Diem	3,000	-	3,000	4,743	(1,743)	158%	-	4,743	(1,743)	158%
Travel - Event Registration	4,000	-	4,000	2,465	1,535	62%	-	2,465	1,535	62%
AMPO Board Expense	-	-	-	-	-	0%	-	-	-	0%
NARC BOARD EXPENSE	3,500	-	3,500	-	3,500	0%	-	-	3,500	0%
	<u>304,800</u>	<u>45,000</u>	<u>349,800</u>	<u>149,674</u>	<u>200,126</u>	<u>43%</u>	<u>30,947</u>	<u>180,621</u>	<u>169,179</u>	<u>52%</u>
RC Special Projects and Sponsorships										
RC Special Projects	18,000	-	18,000	10,662	7,338	59%	50,000	60,662	(42,662)	337%
RC Sponsorships	91,800	(10,000)	81,800	24,299	57,501	30%	5,000	29,299	52,501	36%
	<u>109,800</u>	<u>(10,000)</u>	<u>99,800</u>	<u>34,961</u>	<u>64,839</u>		<u>55,000</u>	<u>89,961</u>	<u>9,839</u>	
All Other Budget Categories										
Payroll Bank Fees	4,500	-	4,500	4,664	(164)	104%	-	4,664	(164)	104%
Office Supplies	-	-	-	247	(247)	0%	-	247	(247)	0%
SCAG Memberships	22,614	-	22,614	22,614	-	100%	-	22,614	-	100%
Capital Outlay	44,000	(44,000)	-	-	-	0%	-	-	-	0%
Recruitment Notice	-	-	-	-	-	0%	-	-	-	0%
Letter of Credit Interest	75,000	(34,161)	40,839	5,000	35,839	12%	-	5,000	35,839	12%
Caltrans Rapid Pay Fees	1,000	-	1,000	825	175	83%	-	825	175	83%
Cash Contributions to Projects	346,839	(346,839)	-	(1,574)	1,574	0%	-	(1,574)	1,574	0%
	<u>493,953</u>	<u>(425,000)</u>	<u>68,953</u>	<u>31,776</u>	<u>37,177</u>	<u>46%</u>	<u>-</u>	<u>31,776</u>	<u>37,177</u>	<u>46%</u>
Grand totals:	<u>1,521,603</u>	<u>1</u>	<u>1,521,604</u>	<u>1,025,806</u>	<u>495,798</u>	<u>67%</u>	<u>276,502</u>	<u>1,302,308</u>	<u>219,296</u>	<u>86%</u>